

## **COMPARISON OF PROJECT OM&A – NUCLEAR**

### **1.0 PURPOSE**

This evidence presents period-over-period comparisons of Nuclear project OM&A expenditures. More detailed project information is contained in Ex. F2-3-3.

### **2.0 PERIOD-OVER-PERIOD CHANGES - TEST PERIOD**

Year-over-year variances are presented in Ex. F2-3-2 Table 1 and are explained below.

#### **2015 Plan versus 2014 Plan**

Forecast project OM&A expenditures decrease in 2015 (-\$7.5M) compared to 2014 reflecting primarily the reduction in expenditures associated with the Pickering Continued Operations project (completion in 2014) and the Fuel Channel Life Cycle Management project partly offset by increases in various portfolio projects across the nuclear fleet.

#### **2014 Plan versus 2013 Budget**

Forecast project OM&A expenditures increase in 2014 (+\$8.9M) compared to 2013 reflecting primarily increases in various portfolio projects and minor modifications (\$16.9M) in 2014, as discussed in Ex. F2-3-1), partly offset by decreased expenditures on the Fuel Channel Life Cycle Management project (-\$7.9M).

### **3.0 PERIOD-OVER-PERIOD CHANGES – BRIDGE YEAR**

Year-over-year variances are presented in Ex. F2-3-2, Table 1 and explained below.

#### **2013 Budget versus 2012 Actual**

Planned expenditures in the bridge year are lower than the 2012 actual (-\$6.6M) due to the completion of several major projects in 2012 (project #9248 Pickering Boiler Divider Plate Project and project #40641 Pickering Steam Generator Locking Tab Project). This decrease is partly offset by increases in expenditures for the Pickering Continued Operations and the Fuel Channel Life Cycle Management projects.

#### **4.0 PERIOD-OVER-PERIOD CHANGES – HISTORICAL PERIOD**

Year-over-year variances are presented in Ex. F2-3-2, Tables 1 and are explained below.

##### **2012 Actual versus 2012 Board Approved**

Actual project OM&A is lower than the 2012 Board Approved level (-\$16.8M) primarily reflecting a decision to re-classify project OM&A expenditures to outage & base OM&A (Pickering Continued Operations work programs (-\$9.6M), boiler water lancing campaigns at both stations (-\$6.7M), project support activities (-\$2.4M)). In addition, funding transfers as a result of organization changes in 2012 accounted for further reductions (-\$4.7M). These planned reductions and transfers were partly offset by increased expenditures in the Fuel Channel Life Cycle Management project (+\$7.3M).

##### **2012 Actual versus 2011 Actual**

The overall decrease in 2012 (-\$0.1M) reflects reduced project write-offs (-\$4.5M), lower project support costs mainly due to organization transfers (-\$1.7M) and reduced minor modification spending (-\$7.5M). In addition, organization changes resulted in facility and simulator minor modifications spending being transferred to Business & Administration Services and People & Culture functions (-\$4.7M). These reductions were mostly offset by increased OM&A project portfolio spending mainly associated with project #49248, Divider Plate Locking Tab work at Pickering and Fukushima related project work. Increased spending was also required on Pickering Continued Operations (+\$2.4M) and the Fuel Channel Life Cycle Management project (+\$1.2M).

##### **2011 Actual versus 2011 Board Approved**

Actual costs are lower than the 2011 Board Approved level (-\$19.4M) reflecting a decision to re-classify Pickering Continued Operations project work, primarily Boiler Water Lancing expenditures, from project OM&A to outage OM&A (-\$14.0M). Lower expenditures also reflect delays associated with project # 40547, Pickering Unit 8 Annubar Retrieval project and project # 49248, Pickering Unit 1 & 4 Boiler Divider Plate Locking Tab project. In addition, the cancellation of project # 40671, Pickering Shutdown Cooling Pump Seal

1 Replacement resulted in lower than planned expenditures.

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3 **2011 Actual versus 2010 Actual**

4 The decrease in 2011 (-\$31.1M) primarily reflects the significant completion of several  
5 projects in 2010 including; project # 38458, Darlington EQ Discovery Work and Scope  
6 Reduction (-\$22.5M), project # 40641, Pickering B Steam Generator Locking Tabs (-\$9.5M),  
7 project # 49278, Pickering Vacuum Building Basement Improvements (-\$6.0M) and project #  
8 38457, EQ Closure & Component Replacements (-\$4.7M). In addition, Boiler Water Lancing  
9 work was reclassified from project OM&A to outage OM&A (-\$4.6M). These decreases were  
10 offset by increased demand for minor modifications (+\$7.8M) and the cancellation of capital  
11 projects that were written off (+\$7.1M).

12  
13 **2010 Actual versus 2010 Budget**

14 Total project OM&A expenditures are essentially on plan (-\$1.2M). Project over expenditures  
15 of (\$13.1M) mainly associated with project # 40641, Pickering B Steam Generator Locking  
16 Tabs, project # 62435, Weld Overlay, project # 62440, Probabilistic Risk Assessment, and  
17 project write-offs were offset by anticipated under spending associated with the Fuel Channel  
18 Life Management Project (-\$4.0M) and the P2/P3 Isolation Project (-\$10.1M).